

**MINUTES OF THE
JOINT EXECUTIVE APPROPRIATIONS
COMMITTEE MEETING
MARCH 6, 2009, 4:00 P. M.
Room 30, House Building, State Capitol Complex**

Members Present:

Rep. Ron Bigelow, Co-Chair
Sen. Lyle W. Hillyard, Co-Chair
Sen. Peter C. Knudson, Vice Chair
Rep. Bradley G. Last, Vice Chair
Sen. Gregory S. Bell
Rep. David Clark, Speaker
Rep. Brad L. Dee
Rep. Kevin S. Garn
Rep. James R. Gowans
Sen. Scott K. Jenkins
Sen. Patricia W. Jones
Sen. Sheldon L. Killpack
Rep. David Litvack
Rep. Rebecca D. Lockhart
Sen. Karen Mayne
Rep. Carol Spackman Moss
Sen. Luz Robles
Sen. Ross I. Romero
Rep. Jennifer M. Seelig
Sen. Michael G. Waddoups, President

Staff Present:

Jonathan Ball, Legislative Fiscal Analyst
Steven Allred, Deputy Director
Greta Rodebush, Secretary
Karen C. Allred, Secretary

Note: A copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov

A list of visitors and a copy of handouts are filed with the committee minutes

1. Call to Order and Approval of Minutes

Committee Co-Chair Bigelow called the meeting to order at 4:47 p.m.

MOTION: Co-Chair Hillyard moved to approve the minutes of February 18, 2009 and February 19, 2009.

The motion passed unanimously with Pres. Waddoups and Sens. Mayne and Robles absent for the vote.

2. Budget Actions

MOTION: Co-Chair Hillyard moved to approve the motions for appropriations subcommittees' budgets, intent language, and fees, as shown in the orange packet entitled "Consolidated Appropriations Subcommittee Motions" on pages

1-1,
2-1,
3-1,
4-1,
5-1,
6-1,
7-1,
8-1,
9-1, and
10-1,
and dated today, March 6, 2009.

Rep. Litvack asked for an explanation as to why some of the motions on the orange pages are underlined. Co-Chair Bigelow responded that the orange sheets contain the motions from each of the subcommittees for approval, and the underlined sections are new motions or edits of old motions. These motions were not previously approved by EAC.

The motion passed unanimously with Pres. Waddoups and Sens. Mayne and Robles absent for the vote.

MOTION: Co-Chair Hillyard moved to adopt the ongoing and one-time revenue sources shown on the green sheet entitled "Additional Ongoing and One-time Revenue Sources for Use in the FY 2009-2010 Budget" and dated today, March 6, 2009.

Sen. Jones expressed concern about the amount of one-time money going into this budget and asked what the impact on Public and Higher Education will be, assuming that new revenues coming in don't change. Co-Chair Bigelow responded that there was an 11 percent reduction projected that will take effect after the fiscal year ends in June 30, 2010. The federal money is a one-year reprieve from the cuts of \$1 billion proposed due to falling revenues.

Sen. Jones asked what plans are in place to address the on-going needs. Co-Chair Bigelow responded that plans have not been made for next year, but the intent is to meet each need as it comes. If it were not for federal funds, all cuts would be taken July 1 of this year.

Sen. Jones expressed concern about the structural integrity of this budget and the lack of ongoing money. The minority leadership teams have put forth a proposal that would address the lack of ongoing funds. Rep. Bigelow responded that there are several ways to deal with the problem.

Speaker Clark commented that he hoped that Sen. Jones was not suggesting that federal stimulus funds not be utilized. He said that the plan is to retain the \$414 million in rainy day funds and retain the \$100 million in the Growth in Student Population Restricted Account, because both funds are needed for FY 2011. The plan is to build economic vitality through infrastructure, Fund of Funds, USTAR, economic development, and a monumental effort to build infrastructure which will retain jobs in the State. The plan for the future is integrated in this budget.

Co-Chair Hillyard made the comment to Sen. Jones that leadership has identified areas that may be reduced, and hopes that during this next year the agencies in state government will prepare for what may happen and find ways of delivering services with lower costs and in a more effective way. The amount of federal stimulus funds going into the 2010 budget is less than the two funds referred to by Speaker Clark. Co-Chair Hillyard hoped the Committee will support this motion.

The motion passed unanimously with Sen. Robles absent for the vote.

MOTION: Co-Chair Hillyard moved to adopt the ongoing and one-time changes shown on the salmon-colored list entitled, "FY 2009-2010 Budget Options -- Executive Appropriations Committee" and dated today, March 6, 2009.

Rep. Litvack asked for explanation on the fees for the Courts (page 1, line 72). Jonathan Ball responded that there is a cut of \$9,204,400 (column G). In the September Special Session and H.B. 3 there were additional cuts, \$21 million total for all rounds in the Courts. On the motion just approved (green sheet), there is \$13.7 million in fees, some in FY 2009 and the majority for FY 2010, that will go to offset the \$9.2 million, as well as the \$5.8 million of previous cuts, making the net cut to Courts approximately \$5 million.

Rep. Litvack asked about the \$4 million one-time appropriation for Economic Development Projects (page 4, line 177), what those projects are and restrictions on how that appropriation is being used. Co-Chair Hillyard responded that Sen. Killpack came

forward with some proposals for three projects in economic development. One million dollars will be used to develop the area west of Hill Field. One million dollars will be used to develop better incentives to help private businesses across the state obtain federal contracts. Two million dollars will be used to attract out of state companies to Utah.

Rep. Litvack asked for this information in writing so that he could take it to his caucus.

Rep. Litvack asked if Enrollment Growth budgeted for 2010 (page 10, line 350) covers all of public school growth. Rep. Bigelow responded that it did.

Rep. Litvack asked what is the impact on full-time employees for state employees, and those in public and higher education, and where federal matching dollars might be lost at the state and local levels. Co-Chair Bigelow responded that if permissible, staff could provide that information for him, but that the full-time employee count would be an estimate.

Rep. Moss asked for clarification on the Quality Teaching and Technology Block Grant in the Minimum School Program (page 9, line 303), and why it has enormous negatives. Co-Chair Hillyard responded that the Public Education Subcommittee proposed putting \$20 million into Quality Teaching and Technology. The Co-Chairs of the Executive Appropriations Committee opted not to do that, but they took money out of that line, as well as social security and retirement and moved everything up into the WPU to keep it whole. These numbers reflect that action, so that the formula for distribution will be similar for all school districts. This was the most equitable way to distribute the reductions and well as the one-time back fills.

Rep. Moss asked if the per pupil spending would be the same throughout the state. Co-Chair Bigelow responded that she was correct.

Rep. Moss commented that she has received emails concerning the Baby Watch Early Intervention Program and asked if it was included in the budget and if there was still money in that program. Co-Chair Bigelow responded that this program was reduced in H.B. 3 and was not further reduced for FY 2010 and that there is still money in that program.

Rep. Garn asked why the Range Creek Security (page 7, line 260) was put in the Higher Education Budget. Co-Chair Bigelow responded that Range Creek Security has been transferred from the Department of Natural Resources to the University of Utah, which already has some funds for archeological research. The proposal was to eliminate it, and the co-chairs wanted to send a clear message that the site will be protected. It will not be

opened, but security will be there to protect this great natural historic treasure, and the site will be patrolled, and anyone attempting to destroy that site in any way will be prosecuted. Co-Chair Bigelow restated that this is a transfer from one subcommittee to another.

Rep. Litvack commented that there are federal stimulus dollars that will be put into the Baby Watch Early Intervention Program to help eliminate the reductions made in H.B. 3, which will go directly to the local level, where the services are being provided. He expressed appreciation to the co-chairs and the majority party for being approachable in developing this budget, and for considering the input of the minority party.

Sen. Robles asked about the Veterans Nursing Start-up (page 11, line 398) funds, which is one-time funding to be used to open the veterans nursing home, and will be operated with federal funds. She wanted to make sure the money budgeted will cover the requirements for opening the Nursing Home. She expressed appreciation to Co-Chair Hillyard for addressing her concerns with the Veterans Outreach Program.

Pres. Waddoups, Sen. Mayne, and Speaker Clark, expressed appreciation to the Chairs, the staff, the majority and minority party leaders, the leaders in the House and Senate, and those in the Governors Office for all the work that has gone into this budget.

Co-Chair Hillyard expressed his appreciation for the many hours spent on this budget by the staff in the Fiscal Analyst's Office. He asked the department heads and individuals involved with this budget to please review the budget, and let him know of any changes that need to be made on Monday morning.

The motion passed unanimously.

MOTION: Co-Chair Hillyard moved to authorize legislative staff to prepare and number "New Fiscal Year Appropriations Act" and "Minimum School Program Budget Amendments" as Executive Appropriations Committee to date. In consultation with the co-chairs of the Executive Appropriations Committee, the Legislative Fiscal Analyst may make any technical changes necessary.

The motion passed unanimously.

3. **Other Business**

Included in the materials discussed today is a report on the Utah Science Technology and Research (USTAR) Facilities that is required to be presented to the committee, and be officially recognized by the Executive Appropriations Committee.

Pres. Waddoups expressed appreciation for the USTAR report, and commended them for the update reports given previously.

MOTION: Co-Chair Hillyard moved to adjourn.

The motion passed unanimously.

The meeting was adjourned at 5:30 p.m.

Minutes reported by Karen C. Allred, Committee Secretary.